

EXHIBIT 11
continued

Subject: Termination/HR-901

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- 5.4 In situations including, but not limited to, serious violations of organization rules on safety, security, personal behavior, or ethics, immediate termination may be warranted. (See Corrective Action policy)

6. Involuntary Termination Procedures

- 6.1 Generally, the immediate supervisor is responsible for informing the employee of the termination and for making sure that the employee understands the reasons for the termination.
- 6.2 When an employee is to be terminated for any reason, the immediate supervisor should fill out a Personnel Change Notice and send it to Human Resources. Human Resources will ensure that the final salary payment is correct and will be delivered within the time period required by law.
- 6.3 The Department Manager will ensure that all Hospital property is returned before the employee exits. Hospital property includes items such as keys, building pass, identification cards, passwords, manuals, correspondence and other work-related documents.
- 6.4 In cases of involuntary termination, the supervisor may ask the employee to leave the Hospital premises immediately. Human Resources will handle any additional communication.
- 6.5 Human Resources will notify the exiting employee of any continuing benefit options and/or pension plan benefits.

7. Termination Pay

- 7.1 Payment of accrued and unused paid time off may be given to employees upon termination providing the probationary period has been successfully completed and the employee has given sufficient notice of resignation.
- 7.2 Employees will not be entitled to paid time off payment if they terminate any time during the probationary period or extension thereof, and/or if they have less than six months of service.
- 7.3 Paid time off that has been used but not earned by an employee whose employment with the organization has been terminated may not be deducted from the final salary unless the employee has previously signed a written release to the contrary.
- 7.4 There will be no payment for unused reserve sick time, and when payment of accumulated but unused paid time off is due, it will be provided in lump sum in the next normal pay period following the date of termination.

Approval:

Lawrence Hospital Center
Human Resources Policies & Procedures Guide

Subject: Equal Opportunity

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POLICY NO.: HR-101

Effective 7-1-02

Supersedes: 7-1-99

Policy: The Hospital is committed to creating and maintaining a culturally diverse work force. It is believed that only by utilizing the skills and talents of a variety of individuals, can the Hospital continue to provide quality health care services to the community. This policy applies to all employees and potential employees.

Process and Procedure:

1. Definition of equal employment opportunity (EEO):

1.1 Equal opportunities for recruitment, hiring, promotions, transfers, compensation or any other employee programs will be provided to all individuals regardless of their citizenship status, color, disability, marital status, national origin, age, race, religion, gender or veteran status.

2. Responsibilities:

2.1 All employees have a role in the Hospital's equal opportunity commitment. They are responsible for treating everyone they interact with according to our core values.

2.2 All managers and supervisors are expected to be familiar with and support the Hospital's EEO policy by:

- a. Supporting the principals of EEO in all their employee decisions including recruitment, promotions, transfers, compensation, training, and any other employee programs.
- b. Informing their staff about the Hospital's EEO policy on a continuing basis.
- c. Being sensitive to equal opportunity concerns that have been identified or that may develop within their area of responsibility.
- d. Consulting with Human Resources on any equal opportunity concerns or potential problems within their area of responsibility.
- e. Referring any inquiries regarding equal opportunity directly to Human Resources.

2.2 Human Resources is responsible for administration of this policy and for periodically reviewing it to assure that it reflects relevant laws and regulations.

Approval:

W. J. G. Sutton, VPAC

7/1/02

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Human Resources Policies & Procedures Guide**

Subject: Problem Resolution

POLICY NO.: HR-602

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Effective: 7-1-02

Supersedes: 7-1-99

Policy: Lawrence Hospital Center wants to foster and maintain an environment that promotes open communication for all employees. All employees should feel comfortable to bring their job-related concerns to management.

This policy applies to all employees. It covers the steps available to employees to resolve problems, complaints and/or grievances.

Process and Procedure:

1. Complaint Procedure:

- 1.1 Under normal circumstances an employee who has a job-related problem or complaint should discuss it with his/her immediate supervisor or manager.
- 1.2 If the problem is not resolved at this level or if there is some reason why the problem cannot be discussed with the immediate supervisor, the employee may take it to the next level of management or to Human Resources.

2. Grievance Procedure:

- 2.1 In situations where an employee feels he/she has not been treated fairly or in accordance with Hospital policy, he/she can exercise his/her rights through the grievance procedure process.
- 2.2 **Step One:** Within ten days of the occurrence of, or knowledge of the problem, the employee should complete a Grievance Form, which can be obtained from Human Resources. This form should be used by the employee to write down his/her perception of the problem.

The completed form should be submitted to the Vice President of Human Resources who will assume responsibility for forwarding a copy of the grievance to the appropriate Department Manager. The Department Manager has ten working days to respond in writing to the employee's complaint.

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Step Two: If the employee is not satisfied with the response given by the Department Manager, he/she may file the written complaint with his/her Administrative Officer within ten working days.

The Administrative Officer has ten working days to respond to the employee. During this time period, the Administrative Officer may meet with the employee to discuss the matter personally.

Step Three: If the employee is not satisfied with the response of the Administrative Officer, he/she may file a written complaint to the President/CEO within ten working days.

The President/CEO has ten working days to respond to the employee. During this time period, the President/CEO may invite the employee to discuss the matter personally. However, the response will be in writing.

Step Four: If the employee is not satisfied with the President/CEO's response, he/she may request that the matter be submitted to arbitration. For a grievance to go to arbitration, the employee must first submit a written request for arbitration. This request must be submitted to Human Resources within ten working days of receipt of the President/CEO's response.

3. Employee Rights:

- 3.1 At any time during the grievance procedure, the employee has the right to be accompanied by another employee or member of management regardless of level, to assist him/her in the presentation of the grievance.
- 3.2 No employee will be penalized in any way for exercising his/her rights through this process, or for participation in the procedures as described, or for participating as a spokes person for another employee.

4. Limitations:

- 4.1 The ten working days provided in each step of this process are exclusive of Saturdays, Sundays, and holidays.
- 4.2 When appropriate, the Vice President of Human Resources will serve as a mediator to assure that all parties have adequate opportunity to present their cases.
- 4.3 Attorneys and other non-employees are excluded from participating in the grievance procedure.

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- 4.4 It may not always be possible for all the parties involved in a particular grievance to meet the ten day deadlines to either file or respond. In this event, the time may be extended by mutual agreement of the parties and with concurrence of the Vice President of Human Resources.
- 4.5 The filing of a grievance does not relieve employees of their responsibility to perform all of their required job duties. Employees must continue to follow all lawful instructions from their supervisor or Department Manager. Failure to do this may result in charges of insubordination followed by corrective action up to and including termination.
- 4.6 Should the grievance go to arbitration, the employee and the Hospital will select an impartial arbitrator from a panel supplied by the American Arbitration Association.
- 4.7 The expense for arbitration will be shared equally by the employee and the Hospital.
- 4.8 Decisions by arbitrators will be binding upon both the employee and the Hospital.
- 4.9 Employees with less than six months of continuous employment are not eligible to participate in the grievance procedure.

Approval:

Lawrence Hospital Center

Human Resources Policies & Procedures Guide

Subject: Sexual Harassment

POLICY NO.: HR-605

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Effective: 7-1-02

Supersedes: 7-1-99

Policy: Sexual harassment in the workplace is strictly forbidden. In order to demonstrate our commitment to the prevention of sexual harassment, a specific policy regarding sexual harassment has been developed.

This policy applies to all employees. It includes, but is not limited to, procedures to prevent sexual harassment as defined by the EEOC and presented in section 1.1 below.

Process and Procedure:

1. Definition of Sexual Harassment:

- 1.1 Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (2) submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.
- 1.2 Specific behaviors that this Hospital will consider sexual harassment include but are not limited to the following:
 - Spoken or written abuse related to an employee's gender
 - Any sexual advance, proposition, and/or physical contact that is unwelcome
 - Sexually oriented comments
 - Showing or displaying pornographic or sexually explicit objects, pictures or other material in the workplace
- 1.3 No supervisor will engage in any act of sexual harassment as defined in paragraph 1.1 above.
- 1.4 All employees are forbidden to engage in any form of sexual harassment, as defined in paragraph 1.1 of this policy.

2. Preventing Sexual Harassment:

- 2.1 All employees should become familiar with the Hospital's sexual harassment policy and procedures for reporting harassment.

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- 2.2 All employees should be prepared to assert their right to work in an environment free from discrimination based on gender.
- 2.3 All employees are expected to conduct themselves in a professional manner and refrain from behaviors as outlined in section 1.2.

3. Management Responsibilities:

- 3.1 Each supervisor is expected to communicate the Hospital's policy on sexual harassment to each subordinate employee. In addition, all managers and supervisors are responsible for enforcing compliance with this policy. Therefore, if a supervisor either observes conduct that appears to violate this policy, or receives a complaint that the policy has been violated, the supervisor must immediately report that incident to the Human Resources Department so that an appropriate investigation can be commenced.

4. Procedures for Reporting Sexual Harassment:

- 4.1 Any employee who believe he/she is the subject of sexual harassment should tell the harassing individual that his or her conduct is unwelcome, and report the incident(s) immediately to the employee's supervisor or to the manager or Vice President of Human Resources.
- 4.2 When reporting the alleged harassment, the employee must be prepared to provide a full description of the facts surrounding the incident(s).
- 4.3 The Hospital forbids retaliation of any kind against anyone for reporting sexual harassment, assisting in making a sexual harassment complaint, or cooperating in a sexual harassment investigation.
- 4.4 In providing references to outside parties, the Human Resources Department will make no reference to incidents of sexual harassment.

5. Procedures for Investigating Sexual Harassment:

- 5.1 All charges of sexual harassment will be investigated by the manager, and/or Vice President of Human Resources.
- 5.2 To the extent possible under the circumstances, the confidentiality of the individuals submitting or named in the report will be maintained.
- 5.3 Employees who believe that they have been unjustly charged with sexual harassment can defend themselves verbally and/or in writing at any stage of the proceedings. They may also avail themselves of the established procedures of the Problem Resolution Program.

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6. Penalty for Violation of Sexual Harassment Policy:

- 6.1 If the Hospital's investigation of a sexual harassment complaint confirms that sexual harassment has occurred, the Hospital will take corrective action up to and including termination of employment. In addition, individuals who are found to have engaged in such harassment may be subject to personal liability in legal action against them.

7. Dissemination of Policy:

- 7.1 This policy will be distributed to all current employees and provided to new employees upon hire. Any employee, supervisor, or manager who has questions regarding this policy should contact the Human Resources Department.

Approval:
